

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **FINANCE**

DATE: **JANUARY 12, 2009**

Committee Members Present:

Supervisors Stec
 Belden
 O'Connor
 Bentley
 Tessier
 Taylor
 VanNess
 Kenny
 Merlino

Others Present:

Fred Monroe, Chairman
Hal Payne, Commissioner of
Administrative & Fiscal Services
Paul Dusek, County Attorney
JoAnn McKinstry, Deputy Commissioner of
Administrative & Fiscal Services
Kevin Geraghty, Budget Officer
Supervisor Goodspeed
Supervisor Pitkin
Supervisor Sokol
Supervisor Strainer
Supervisor Thomas
Frank O'Keefe, County Treasurer
Richard Murphy, Deputy Commissioner of
Fiscal Services
Rob Lynch, Deputy Treasurer
Todd Lunt, Director, Human Resources
William Lamy, DPW Superintendent
Julie Pacyna, Purchasing Agent
Bud York, Sheriff
Dave Wick, District Manager, Soil & Water
Conservation District
Kenneth Pink, Bonadio & Co., LLP
Alan Walther, Bonadio & Co., LLP
Richard Dinolfo, Richard H. Dinolfo, CPA
Jonathan Alexander, *Adirondack Journal*
Amanda Allen, Sr. Legislative Office Specialist
Nicole Livingston, Deputy Clerk

Mr. Stec called the meeting to order at 10:00 a.m.

Motion was made by Mr. Bentley, seconded by Mr. Tessier and carried unanimously to approve the minutes of the December 11, 2008 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Finance Agenda were provided to the Committee members, and a copy of same is on file with the minutes.

Mr. Stec apprised Item 1 was a request for discussion regarding the rejection of the lowest proposal for annual single audit for the Treasurer's Office and award of contract to Bonadio & Co., LLP.

Mr. Stec reminded the Committee members that a resolution had been adopted at the December 19, 2008 Board of Supervisors meeting authorizing the agreement with Bonadio & Co., LLP for annual single audits for the Warren County Treasurer's Office; however, he said, questions had been raised regarding the rejection of the low bidder and it had been recommended that the Committee revisit the request. He noted that a memo had been distributed to the Committee that was prepared by Frank O'Keefe, County Treasurer, concerning the single audit RFP (Request for Proposal), a copy of which is on file with the minutes.

Mr. O'Keefe apprised that the Treasurer's Office had recommended the award of the contract for annual single audits to Bonadio & Co., which group had performed the County audits for the last four years. With regard to the cost of the contract, Mr. O'Keefe explained the first year of the contract would cost the County \$41,000, and for three years, the total cost would be \$129,000; whereas a contract with the Dinolfo firm for three years would be \$123,000, a difference of \$6,000; however, he reiterated, the Treasurer's Office preferred the contract with Bonadio & Co.

Mr. VanNess asked if the requirements in the RFP had been the same throughout the years or if they were changed year by year and Mr. O'Keefe stated that he believed that the RFP's had been written the same since he had been the County Treasurer and it was a standard RFP with specific qualifications.

Mr. Stec questioned the reasons why Dinolfo was disqualified during the process and Mr. O'Keefe replied that the reasons were detailed in the memo that had been distributed. Mr. O'Keefe further stated that one major reason was the fact that the Dinolfo firm was a single employer and would have to employ other CPA's to perform the audits.

Mr. Taylor asked if the Dinolfo firm had ever conducted an audit for the County and Mr. O'Keefe responded in the negative.

Chairman Monroe expounded that Mr. Dinolfo had contacted him concerning the rejection of his proposal and Chairman Monroe felt it was very important when there was a rejection of a low bid to have a documented discussion detailing the lack of qualifications. He noted that the agreement had not been signed yet and therefore he felt the Committee should review the proposals further.

Mr. Stec extended privilege of the floor to Richard Dinolfo, of Richard H. Dinolfo, CPA. Mr. Dinolfo announced that he had been in the accounting business since 1971 and had served as an examiner with the Office of the State Comptroller for thirty-three years, thirteen of those years he served as Chief in the Glens Falls office. Concerning the question of whether he had ever worked on a Warren County audit, Mr. Dinolfo advised that every audit that came out of the State Comptroller's Office regarding Warren

County from 1988 through 2001 was conducted under his direct supervision. He noted that in 2004 he left the State Comptroller's Office and joined a different firm which he worked at for three and a half years, giving him county experience at both the governmental level and the private level. He added that he started his own firm in October of 2007.

Mr. Dinolfo stated he had submitted a proposal in response to the RFP that was issued for auditing services and in his proposal he answered all the criteria that was in the request. He provided further history of his experience as it related to county audits. He also informed the Committee of recent changes in the auditing field and newly implemented standards and requirements. He advised that the new standards and requirements should have been included in the RFP that was issued. Mr. Dinolfo distributed a document to the Committee members which outlined a single audit that he had performed for Hamilton County, a copy of which is on file with the minutes.

Mr. Stec extended privilege of the floor to the representatives from the Bonadio Group, Alan Walther and Ken Pink. Mr. Walther expounded that Dorfman-Robbie had been the County's auditor for the past six years and had recently merged into the Bonadio Group, effective October 1, 2008. He distributed a packet to the Committee members outlining the reasons why Bonadio was the best choice for the County's audits, copies of which are on file with the minutes. Mr. Walther reviewed the packet in detail with the Committee. Mr. Pink added that one of the reasons for the merge between Dorfman-Robbie and the Bonadio group was because of the work done exclusively in the government arena. He noted that Bonadio was a very large regional firm throughout New York State and their audit experience with county government was unmatched.

Mr. Sokol entered the meeting at 10:20 a.m.

Mr. Pink apprised the Bonadio Group currently had approximately twenty counties under contract with them from all across the State. Mr. Walther outlined the extensive training that each member of their firm received every year. He stated that the Bonadio Group did not subcontract their work, their firm had thirty-three partners, and an excess of three hundred fifty staff members.

Mr. Taylor asked Mr. O'Keefe if Mr. Dinolfo met the requirements of the RFP. Mr. O'Keefe responded that he had known Mr. Dinolfo for a number of years and he was an excellent CPA; however, he said, Warren County was a large County. He added that a major concern was the fact that Mr. Dinolfo would subcontract the work, and he listed the subcontractors as provided by Mr. Dinolfo and their affiliations, none of whom worked directly for Mr. Dinolfo. Due to these concerns, Mr. O'Keefe continued to support the award of the contract to the Bonadio Group.

Mr. VanNess questioned if the proposals were shared between those firms that responded to the RFP and Paul Dusek, County Attorney, replied that once the proposals were opened, they were made available to the public.

Chairman Monroe commented that both firms had provided excellent presentations, and it appeared that the Bonadio Group was very well qualified; however, he said, the question was whether or not the Dinolfo proposal met the specifications of the RFP. He added that it was his understanding that the County was required to award a contract to the lowest responsible bidder that met the specifications. Mr. Dusek advised that the Purchasing Policy differed from the bidding rules. He further explained that under the RFP rules, the County must accept the lowest bidder unless there were reasons or justifications for not doing so.

Mr. Dinolfo responded to Mr. O'Keefe's comments regarding subcontractors. He stated that the individuals listed by Mr. O'Keefe would be working under his direct supervision.

Discussion ensued. Mr. Stec reiterated that there was currently a resolution which authorized the agreement with the Bonadio Group; therefore, he said, if the Committee did not take any action that resolution would remain in effect. If the Committee wished to change that, he added, a resolution would be necessary.

Rob Lynch, Deputy Treasurer, clarified that Mr. Dinolfo did not meet the requirements of the RFP. He explained that the RFP required a peer review, which Mr. Dinolfo did not have. He noted that Mr. Dinolfo technically did not have ten years of single audit experience as a CPA firm, which was another requirement of the RFP.

Motion was made by Mr. Tessier and seconded by Mr. VanNess to rescind Resolution No. 852 of 2008.

Mr. Goodspeed requested Mr. Dusek to provide his legal opinion as to whether or not both firms met the specifications of the RFP. Mr. Dusek read the requirements of the RFP to the Committee members, specifically the item that stated minimum experience shall include ten years experience auditing at least two New York State counties at a population of 20,000. Mr. Dinolfo remarked that he believed that he met that requirement and Mr. Lynch disagreed. Mr. Dinolfo argued that the wording of the RFP was incorrect and should have been re-written because the same RFP had been used for a number of years and did not include the new standards and requirements recently implemented in the auditing field. Mr. Dusek clearly asked Mr. Dinolfo if he had ten years of experience in single audits and Mr. Dinolfo replied he probably had approximately six or seven years of experience. Mr. Dusek continued and noted another requirement was that a most recent peer review must be an unqualified opinion and from what he understood, Mr. Dinolfo's firm did not have a peer review at this time. Mr. Dinolfo interjected that the issue of a peer review was only a

requirement of the AICPA (American Institute of Public Accountants). Mr. Dusek countered that it was a requirement of the County because it was included in the RFP.

Mr. Goodspeed expounded that after reviewing the RFP, the only qualified candidate was the Bonadio Group which had already been approved. Mr. Dusek said that Mr. Dinolfo was arguing that the RFP could be interpreted differently, in which case, his firm would be qualified. Mr. O'Keefe clarified that the Treasurer's Office had recommended the contract be awarded to the Bonadio Group and it was their professional opinion that the Bondaio Group was the best selection for the County.

Mr. Stec called the question and the motion was carried by majority vote to rescind Resolution No. 852 of 2008, with Mr. Kenny voting in opposition. The necessary resolution was authorized for the next board meeting.

Mr. Stec stated Item 2 was a request to authorize Change Order No. 2 for the septic system installation at the Soil & Water Conservation District Office, in the amount of \$2,150.

Mr. Kenny questioned why there was an increase in cost if the contractors equipment was already on site, as listed in the justification of the Change Order. Dave Wick, District Manger of the Soil & Water Conservation District, explained that the original Change Order was for the foundation project and the contractor that had conducted the foundation portion had offered to install the septic system in the amount of \$2,150 because the necessary equipment to do so was already located there. Mr. Wick added that the other cost estimates received for the septic installation were much higher.

Motion was made by Mr. Belden, seconded by Mr. VanNess and carried unanimously to approve Item 2 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec expounded Item 3 was a request to review the bids submitted by BBL Development for Tax Map parcel No. 288.-1-62 and No. 288.-1-49 - Gurney Lane property.

Hal Payne, Commissioner of Administrative & Fiscal Services, reported that the two parcels had received a single bid for each from BBL Development Group. He advised the bid received for the smaller parcel was \$371,962 and the bid received for the larger parcel was \$445,731, totaling \$817,693 for both parcels.

Motion was made by Mr. VanNess, seconded by Mr. Bentley and carried unanimously to reject both bids received from BBL Development Group for Tax Map Parcel No. 288.-1-62 and No. 288.-1-49 - Gurney Lane property, and the necessary resolution was authorized for the next board meeting.

Continuing, Mr. Stec advised Item 4 was a request to amend Resolution No. 823 of 2008 to correct amounts for the CDPHP health care program.

Motion was made by Mr. Kenny, seconded by Mr. VanNess and carried unanimously to approve Item 4 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec said Item 5 was a request to authorize the agreement with Adirondack North Country Association for promotional and economic development, in the amount of \$1,915, said funds to be expended from A.1010 470 Legislative Board- Contract.

Motion was made by Mr. VanNess, seconded by Mr. Taylor and carried unanimously to approve Item 5 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec noted Item 6 was a request to authorize the agreement with Adirondack Park Local Government Review Board for funding of operating costs, in the amount of \$6,500, said funds to be expended from A.8026 470 Adirondack Park Local Government Review Board- Contract.

Motion was made by Mr. Tessier, seconded by Mr. Bentley and carried unanimously to approve Item 6 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec remarked that Item 7 was a request to authorize the agreement with National Employers Council, Inc. for unemployment insurance consulting services, in the amount of \$2,284.07, representing a 7% increase from 2008, said funds to be expended from A.9050 469 Unemployment Insurance- Other Payments/Contributions.

Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve Item 7 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec apprised Item 8 was a request to authorize the agreement with the City of Glens Falls for capital improvements and operation and maintenance for various recreational facilities, in the amount of \$125,000, said funds to be expended from A.1010 470 Legislative Board- Contract.

Motion was made by Mr. Kenny, seconded by Mr. Belden and carried unanimously to approve Item 8 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec stated Item 9 was a request to authorize the agreement with Warren Washington Counties Homeless Youth Coalition for 2009 financial support, in the amount of \$24,000, said funds to be expended from A.1010 470 Legislative Board-Contract.

Motion was made by Mr. Tessier, seconded by Mr. Taylor and carried unanimously to approve Item 9 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec reported Item 10 was a request to authorize the agreement with Saga City and Warren County - Glens Falls Sister City Organization, in the amount of \$4,500, said funds to be expended from A.1010 470 Legislative Board- Contract.

Motion was made by Mr. Bentley, seconded by Mr. Kenny and carried unanimously to approve Item 10 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec said Item 11 was a request to authorize the agreement continuing contractual relationship with Economic Development Corporation, Warren County, New York, for Economic Development Program for 2009, in the amount of \$340,000, said funds to be expended from A.6421 470 Warren County Economic Development- Contract.

Motion was made by Mr. Taylor, seconded by Mr. VanNess and carried unanimously to approve Item 11 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. VanNess noted that it was important to state for the record that a number of these annual contracts had been reduced from the 2008 amounts in the 2009 Adopted Budget. Mr. Stec agreed and added that the reductions in the amounts for the contracts being approved today totaled \$37,000.

Mr. Stec added Item 12 was a request to authorize the agreement continuing the contractual relationship with the Warren County Historical Society for production of a history of Warren County book for an amount not to exceed \$2,500 and historical programs for the public for an amount not to exceed \$2,500, said funds to be expended from A.1010 470 Legislative Board- Contract.

Motion was made by Mr. Taylor, seconded by Mr. Bentley and carried by majority vote to approve Item 12 as outlined above, with Mr. VanNess voting in opposition. The necessary resolution was authorized for the next board meeting.

Mr. Stec noted Item 13 was a request to authorize the renewal of agreement with Warren County Society for the Prevention of Cruelty to Animals, Inc., in the amount of \$16,000, said funds to be expended from A.3510 470 Control of Dogs- Contract.

Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve Item 13 as outlined above, and the necessary resolution was authorized for the next board meeting.

Concluding the Agenda review, Mr. Stec apprised Item 14 was a request to authorize the agreement with Community Action Agency of Franklin Co. d/b/a/ Comlinks, in the amount of \$4,000, said funds to be expended from A.1010 470 Legislative Board-Contract.

Motion was made by Mr. Bentley, seconded by Mr. Belden and carried unanimously to approve Item 14 as outlined above, and the necessary resolution was authorized for the next board meeting.

There being no further business to come before the Committee, on motion made by Mr. Belden and seconded by Mr. Bentley, Mr. Stec adjourned the meeting at 11:02 a.m.

Respectfully submitted,

Nicole Livingston, Deputy Clerk